



## PORTUGAL

## Taxation – Key facts and figures

## Comparison between a traditional asset portfolio and a life assurance policy

	Traditional asset portfolio	Life assurance policy																																								
Income Tax	<p><b>In general:</b></p> <ul style="list-style-type: none"><li>• Proceeds arising from domestic dividends are subject to a 28% flat rate.</li><li>• Proceeds arising from interest are also subject to a 28% flat rate. However, interest derived from retirement savings may benefit from a tax exemption.</li><li>• Proceeds arising from other traditional investments are subject to the following sliding scale:</li></ul>	<p>Proceeds arising from a life assurance policy are subject to either a 28% flat rate or the Income Tax sliding scale, but only upon a partial or full surrender of the policy, thus providing a tax deferral.</p>																																								
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	<p>An additional solidarity tax shall apply to taxpayers at the following rates:</p> <ul style="list-style-type: none"><li>• 2.5% for taxpayers with an aggregated taxable income between EUR 80,000 and EUR 250,000;</li><li>• 5% for taxpayers with an aggregated taxable income above EUR 250,000.</li></ul>	<p>In case the taxpayer chooses to aggregate the proceeds with other income and to seek application of the Income Tax sliding scale, the additional solidarity tax shall apply at the following rates:</p> <ul style="list-style-type: none"><li>• 2.5% for taxpayers with an aggregated taxable income between EUR 80,000 and EUR 250,000;</li><li>• 5% for taxpayers with an aggregated taxable income above EUR 250,000.</li></ul>																																								
		<p>In the event of partial/full surrender or maturity, the taxable income is the difference between the amount received and the premiums paid.</p> <p>If at least 35% of the premium is paid in the first half of the contractual period, a deduction from the taxable income may apply depending on the seniority of the policy, as follows:</p>																																								
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		<p>Life insurance benefits paid out in Portugal upon death of the insured person are not subject to taxation for the purposes of the individual income tax.</p>																																								
		<p>Depending on the country of the issuer of the assets making up any internal fund linked to the life assurance policy, withholding taxes may apply on interest payments and/or dividends in the source country of each asset concerned; this would then be reflected in the value of the fund and hence be borne by the policyholder.</p>																																								

	Traditional asset portfolio	Life assurance policy
Capital Gains Tax	<p>Capital gains arising from sales and switches of financial assets within a traditional portfolio are subject to a 28% flat rate.</p> <p>The State Budget Law for 2022 amended the PIT code establishing the mandatory aggregation of the positive balance between capital gains and capital losses arising from the transfer for consideration of shares and other securities and its taxation at progressive rates (up to 48%) whenever (i) the assets have been held for less than 365 days; and, (ii) the taxable income of the taxpayer including the balance of the capital gains and capital losses amounts to or exceeds EUR 81.199.</p>	<p>Capital gains arising from sales and switches of the underlying assets of a life assurance policy are exempt from taxation, irrespective of the seniority of the policy, making active portfolio management possible, with minimised costs.</p>
Parafiscal charges	Traditional asset portfolios do not fall under the scope of these charges.	<p>Life assurance policies are subject to parafiscal charges to the ASF (Insurance Supervisory Body) and to the INEM (National Institute for Medical Emergencies):</p> <ul style="list-style-type: none"> <li>ASF: 0.048% over the total initial and additional premiums;</li> <li>INEM: 2.5% over the part of the premiums related to the additional death cover (i.e. the risk premiums).</li> </ul>
Wealth Tax	No Wealth Tax is applied in Portugal.	
Inheritance Tax	No Inheritance Tax is applied in Portugal.	
Stamp Duty	<ul style="list-style-type: none"> <li>Gratuitous transfers in favour of spouses, descendants and ascendants are fully exempt from Stamp Duty.</li> <li>Other gratuitous transfers are subject to a 10% Stamp Duty.</li> </ul>	<ul style="list-style-type: none"> <li>Premiums or commissions related to life assurance policies are exempt from Stamp Duty.</li> <li>Proceeds deriving from life assurance policies are not subject to Stamp Duty.</li> </ul>

The information in this document is based on OneLife's understanding of current laws and taxation practice in Portugal and Luxembourg as of January 2024, which may change in the future. This document provides a summary and does not attempt to cover all related matters or situations. It is not intended to give specific legal and fiscal advice. Investors should seek their own independent advice relating to their specific circumstances. OneLife and the life assurance companies which form part of the Group will not be held liable for any errors or omissions in this document, nor for the use or the interpretation of the information contained herein.